



Death Benefits

Preliminary Report Follow-up

WASHINGTON STATE
Law Enforcement Officers' and Fire Fighters'
Plan 2 Retirement Board

December 8, 2005

Death Benefits

- Current Benefits
- Key Issues
- Policy Options & Costs

Pension Death Benefits

- Less than 10 years/not retirement eligible
 - Refund of accumulated contributions
- 10 or more years/eligible to retire
 - Refund of 150% of accumulated contributions, or
 - Monthly Benefit
 - Joint and 100% survivor
 - Retired on date of death

\$150,000 Death Benefit

- \$150,000 Lump Sum Benefit
- Benefit not taxable
- Death from injury sustained in course of employment
 - Labor & Industries determines eligibility
 - Death from Occupational Disease does not qualify

\$150,000 Death Benefit

Occupational Disease

- Presumption that certain diseases are occupationally related
- Occupational Disease includes
 - Respiratory Disease (1987)
 - Heart Problems after exposure (2002)
 - Certain Cancers (2002)
 - Certain Infectious Diseases (2002)

\$150,000 Death Benefit

- Washington benefit not adjusted
- Seven other states with lump-sum benefit \$100,000 or more
 - Three states: annual adjustment
 - Two states: statutory adjustments
 - Two states: no adjustment

Workers' Compensation

- Monthly Benefit to Surviving Spouse
 - 60% of employee's wage
 - Up to a maximum of 70% for spouse with children
 - Benefits not taxable
 - COLA based on change in state's average wage

Workers' Compensation

- “First Survivor Benefit Paid”
 - One time payment
 - 100 percent of the average monthly wage in the state of Washington (\$3,232.83)
 - Benefit is not taxable
- Burial Benefit
 - Death related to workplace injury or occupational disease
 - 200 percent of the average monthly wage in the state of Washington

Public Safety Officers' Benefits

- Death from traumatic injury sustained in the line of duty
- **\$283,385** lump sum benefit - tax free
- Benefit amount adjusted annually
- Limited Occupational Disease Coverage

Key Issues

- LEOFF Pension death benefit and \$150,000 death benefit do not treat illness the same
- \$150,000 death benefit not adjusted for cost of living

Policy Option 1

- Include all occupational diseases in special death benefit
- Cost
 - 0.01% member
 - 0.01% local employer

Policy Option 2

- Include some occupational diseases in special death benefit
- Cost
 - 0.01% member
 - 0.01% local employer

Policy Option 3

- Adjust the special death benefit amount annually
 - 3% increase per year
- Cost insufficient to increase contribution rates

Summary

- Current Benefits
- Key Issues
- Policy Options & Costs

Questions?